



# Università degli Studi di Roma "Tor Vergata"

University of Rome TOR VERGATA

## Curriculum on Philosophical and Social Sciences Cycle XXVIII

Presentation of the doctoral thesis  
by Tiziana Nicolini

### *Sovereign Wealth Funds in Globalized Economy between Geopolitics, Democracy and Market*

This study analysed how markets influence contemporary society, thus highlighting the permeability of the borders between politics and economics. Particular attention has been paid to the role of state guarantors that have had to modify their ways of action also by means of new instruments or instruments created for different purposes. A typical example of this is represented by Sovereign Wealth Funds (SWF), by means of which the State acts also as market agent.

The first section (chapter 1) has been dedicated to the philosophical reconstruction and justification of a deliberative vision of democracy. According to such vision, governance is considered capable of producing results that are not only legitimate as for procedures, but also rational and shareable from a substantial point of view. Such legitimation allows to consider them also capable of highlighting elements of democratic authorship that remain above the national dimension, thanks to their transparency, embeddedness and accountability features.

The second section of this dissertation (chapters 2 and 3) provides both a general and a detailed analysis of the SWF because they mirror the structural transformation of global finance, where the State works in a hybrid environment, in which political interests and market power coexist. SWF can be associated with financial investment vehicles, however their characteristic is that they are created using public resources. Moreover, they were created mainly in countries that have significantly enriched themselves in the last decades, thanks to the extraction and sale of raw materials in the energy field (Arab

Dipartimento di Storia, Patrimonio culturale, Formazione e Società  
Department of History, Humanities and Society

Via Columbia, 1 - 00133 Roma



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Gulf countries and Russia), or due to the delocalization of production and consumables exportation (China and Singapore). This analysis has been dedicated to SWF because this instrument, more than others, highlights the opacity and the discretionary power of political-economic action and illustrates how often economy is the central element of political choices. In SWF the institutional mandate and the structure of governance are considered as central elements in the search for a democratic justification of the management. Furthermore, they are the elements that are necessary to the market in order to grant SWF the role of economic actors. The current regulation model, recognizable in the Santiago's Principles, shows the SWF managers' will to claim their autonomy from politics and the priority of economic reasons in their intervention choices in the market. At the same time, it is clear that too little attention is paid to the necessary accountability towards citizens, that represent the real owners of the resources. In order to facilitate the understanding of the political-economic overlapping, real cases have been analysed in order to recognize some of the multi-shaped structures in which SWF are realized. Other real cases have been explained, exposing the common characteristics and specificities of some SWF that are considered as reference in the global scenario (Norway, China and Singapore) and of other ones that are considered as representatives of the variables at stake (Qatar, Russia, Israel, Palestine and Italy). Additionally, particular attention has been dedicated to the increasing role of SWFs in Africa (with Libya's, Angola's and China-Africa Funds).

Finally, the third section of the dissertation (chapter 4) contains a proposal for a categorization of SWFs, to be considered as an alternative to the ones already proposed in the literature. Such typologies are based on economical shapes and functions, whereas the new proposal exploits an endogenous point of view, highlighting the level of decisional independence in operative choices. Independence in operative management is proposed as an indicator, not only of the remoteness from politics, but also of the possible grade of distraction from the democratic mandate (that it is possible only if there are not the necessary monitoring and control moments, for which the country that holds the SWF is responsible). The «evidence-based assessment» criteria has been proposed to compare non harmonized information. The integration of information from heterogeneous sources (institutions, NGO, markets) allows either to inspect single characteristics and to get the big picture. This aims to reduce the information gap between the SWF managers and the various stakeholders, above all citizens, both from those countries that hold SWF and from those others that host investments. Using the SWF distinctive features shown in this



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dissertation, a map has been drawn with the purpose of helping in the evidence-based assessment of single SWF (and it has been provided also an example of usage). By using the proposed methodology it has been possible to highlight how can be identified the ideal typology of the «migrant» (to which the actions of single subjects can be traced back) and the potential of the political and/or economical action of a selected SWF in an ex-ante perspective.

The conclusion of this dissertation focuses on the possibility to shed light on the coexistence of old and new political actors by means of the analysis of the SWF. Under such circumstances SWF are not yet re-conducibile to operational models, over which a regulative action could be applied; reality is still made of such typologies in (trans)formation, so that the intervention areas on regulations are considered as being subject to (i) overlapping powers, (ii) information opacity and (iii) risk of non-accomplishment of the democratic mandate.

In conclusion there are some hypotheses concerning future development. The proposed direction is towards a greater accountability, not only in terms of an economic point of view but even from a democratic one, where the identified instrument to get to it is an information follow-up that could allow the identification of decisional bodies either within the SWF and in the institutional bodies of the countries that own them.